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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-066

Polytetrafluoroethylene Resin from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that polytetrafluoroethylene (PTFE) resin from the People's Republic of China (China) is being, or is likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is January 1, 2017, through June 30, 2017. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Thomas Schauer or Michael Romani, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0410 or (202) 482- 0198, respectively.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this

investigation on October 26, 2017.¹

Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018.² Accordingly, the revised deadline for the preliminary determination of this investigation became March 12, 2018.³ Subsequently, on February 20, 2018, Commerce postponed the preliminary determination of this investigation and the revised deadline is now April 30, 2018.⁴ For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.⁵ A list of topics addressed in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Scope of the Investigation

The product covered by this investigation is PTFE resin from China. For a complete description of the scope of this investigation, *see* Appendix I.

¹ *See Polytetrafluoroethylene Resin from India and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations*, 82 FR 49587 (October 26, 2017) (*Initiation Notice*).

² *See* Memorandum, "Deadlines Affected by the Shutdown of the Federal Government," dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

³ *Id.*

⁴ *See Polytetrafluoroethylene Resin from the People's Republic of China: Postponement of Preliminary Determination of Antidumping Duty Investigation*, 83 FR 8423 (February 27, 2018).

⁵ *See* Memorandum, "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Polytetrafluoroethylene Resin from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Scope Comments

In accordance with the preamble to Commerce's regulations,⁶ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (scope).⁷ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal responses submitted to the record for this investigation, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.⁸ *See* the scope in Appendix I to this notice. The scope case briefs were due on April 9, 2018, 30 days after the publication of *PTFE Resin from India CVD*.⁹ There will be no further opportunity for comments on scope-related issues.¹⁰

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Export prices were calculated in accordance with section 772(a) of the Act; constructed export prices were calculated in accordance with section 772(b) of the Act. Because China is a non-market economy, within the meaning of section 771(18) of the Act, Commerce calculated normal value (NV) in accordance with section 773(c) of the Act. In addition, pursuant to section

⁶ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁷ *See Initiation Notice*.

⁸ *See* Memorandum, "Polytetrafluoroethylene Resin from India and the People's Republic of China: Scope Comments Decision Memorandum for the Preliminary Determinations," dated February 28, 2018 (Preliminary Scope Decision Memorandum).

⁹ The scope case briefs were due 30 days after the publication of *Polytetrafluoroethylene Resin from India: Preliminary Affirmative Countervailing Duty Determination*, 83 FR 9842 (March 8, 2018) (*PTFE Resin from India CVD*), which was Saturday, April 7, 2018. *See* the Preliminary Scope Decision Memorandum at 2. Therefore, the actual deadline for the scope case briefs was Monday, April 9, 2018. *See* 19 CFR 351.303(b)(1) ("For both electronically filed and manually filed documents, if the applicable due date falls on a non-business day, the Secretary will accept documents that are filed on the next business day."). The deadline for scope rebuttal briefs was Monday, April 16, 2018.

¹⁰ *See* Preliminary Scope Decision Memorandum at 3 ("Parties should include all arguments about scope-related issues in the scope case and scope rebuttal briefs. Commerce does not intend to permit arguments about scope-related issues in the investigation-specific case and rebuttal briefs regarding other issues.")

776(a) and (b) of the Act, Commerce preliminarily relied on facts otherwise available, with adverse inferences, for the China-wide entity. For a full description of the methodology underlying Commerce's preliminary determination, *see* the Preliminary Decision Memorandum.

Combination Rates

In the *Initiation Notice*,¹¹ we stated that we would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.¹² In this investigation, we calculated producer/exporter combination rates for respondents eligible for separate rates.

Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist:

¹¹ *See Initiation Notice* at 49591.

¹² *See* Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on Commerce's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

Exporter	Producer	Estimated Weighted-Average Dumping Margin (percent <i>ad valorem</i>)
Daikin Fluorochemicals (China) Co., Ltd.	Daikin Fluorochemicals (China) Co., Ltd.	84.75
Shandong Dongyue Polymer Material Co., Ltd.	Shandong Dongyue Polymer Material Co., Ltd.	69.34
Hangzhou Fine Fluorotech Co., Ltd.	Qingdao Orientalflon New Materials Co., Ltd.	78.74
Hangzhou Fine Fluorotech Co., Ltd.	Zhejiang Juhua Co., Ltd. Fluor-Polymeric Plant	78.74
Shanghai Huayi 3f New Materials Sales Co., Ltd.	Shanghai 3f New Materials Co., Ltd.	78.74
China-Wide Entity		208.16

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in Appendix I entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*, as discussed below. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the weighted-average amount by which NV exceeds U.S. price, as indicated in the chart above as follows: (1) For the exporter/producer combinations listed in the table above, the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of China producers/exporters of merchandise under consideration that have not established eligibility for their own separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin

established for the China -wide entity; and (3) for all third-country exporters of merchandise under consideration not listed in the table above, the cash deposit rate is the cash deposit rate applicable to the China exporter/producer combination (or the China -wide entity) that supplied that third-country exporter.

These suspension of liquidation instructions will remain in effect until further notice.

Disclosure

Commerce intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify information relied upon in making its final determination.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last final verification report is issued in this investigation.¹³ Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.¹⁴ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited

¹³ Case briefs, other written comments, and rebuttal briefs should not include scope-related issues. *See* Preliminary Scope Decision Memorandum at 2-3. Parties were already permitted the opportunity to file scope case briefs. *Id.*

¹⁴ *See* 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioners. Pursuant to 19 CFR 351.210(e)(2), Commerce requires that requests by respondents for postponement of a final antidumping determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

In March 2018, pursuant to 19 CFR 351.210(e), Shandong Dongyue Polymer Material Co., Ltd., and Daikin Fluorochemicals (China) Co., Ltd., requested that Commerce postpone the final determination and that provisional measures be extended to a period not to exceed six

months.¹⁵ In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) the preliminary determination is affirmative; (2) the requesting exporters account for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, Commerce is postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, Commerce's final determination will be published no later than 135 days after the date of publication of this preliminary determination.

International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its preliminary determination of sales at LTFV. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of the subject merchandise are materially injuring, or threaten material injury to, the U.S. industry.

¹⁵ See Letter from Shandong Dongyue Polymer Material Co., Ltd., "PTFE Resin from the People's Republic of China: Request to Postpone the Final Results of the Investigation," dated March 19, 2018, and Letter from Daikin Fluorochemicals (China) Co., Ltd., "Polytetrafluoroethylene (PTFE) Resin from the People's Republic of China: Request to Postpone Final Determination," dated March 20, 2018.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Dated: April 30, 2018

Appendix I

Scope of the Investigation

The product covered by this investigation is polytetrafluoroethylene (PTFE) resin, including but not limited to granular, dispersion, or coagulated dispersion (also known as fine powder). PTFE is covered by the scope of this investigation whether filled or unfilled, whether or not modified, and whether or not containing co-polymer additives, pigments, or other materials. Also included is PTFE wet raw polymer. The chemical formula for PTFE is C_2F_4 , and the Chemical Abstracts Service Registry number is 9002-84-0.

PTFE further processed into micropowder, having particle size typically ranging from 1 to 25 microns, and a melt-flow rate no less than 0.1 gram/10 minutes, is excluded from the scope of this investigation.

PTFE is classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 3904.61.0010 and 3904.61.0090. Subject merchandise may also be classified under HTSUS subheading 3904.69.5000. Although the HTSUS subheadings and CAS Number are provided for convenience and Customs purposes, the written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

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VIII. Conclusion

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